

A regular meeting of the **Michigan Public School Employees Retirement System Board** was held at the General Office Building, 7150 Harris Drive, Conference Room A, Dimondale, Michigan, on Thursday, July 28, 2011. The following members, staff, and observers participated:

Members Present: Lenore Croudy, Community College Trustee  
 Jonathan Fielbrandt, Active Classroom Teacher Member  
 Michael Flanagan, Superintendent of Public Instruction  
 Steven Jagusch, General Public Member, Investment Experience  
 Scott Koenigsknecht, Active Superintendent Member  
 Edwin Martinson, Reporting Unit Board of Control Member  
 John Olekszyk, Retiree Member  
 Diana Osborn, Non-Certified Support Member  
 Timothy Raymer, Finance/Operations Member, Non-superintendent  
 Michael Ringuette, General Public Member, Actuarial Experience  
 Charles Thomas, Retired Finance/Operations Member and as a representative of the largest retiree organization

Staff Present: Phil Stoddard, Executive Secretary  
 Chanda Donnan, Recording Secretary

Others Present: Les Nixon, Joe Curtin, Chuck Abshagen, Bob Wiles, and Marie Wilkinson of the Michigan Association of Retired School Personnel; Earl Hagstrom of MEA-Retired; Richard Schaper of Western Michigan University; Branko Bojicic and Regina Jamerson of Blue Cross Blue Shield of Michigan; Carol Nolan of EyeMed; Janet Truant, Greg Dalferes, Chad Hugh and Michelle Ryba of Catalyst Rx; Richard Williams and Krista Davis of Williams & Co.; Ben Louagie, Michelle Bartley, and Virginia Gibson of Gabriel, Roeder, Smith and Co.; Mary Hill of Central Michigan University; Paula Brawdy of Priority; Todd Tennis of Coalition for Secure Retirement; Patrick Fitzgerald of the Office of Attorney General; and Laurie Hill, LuAnn Kern, Steve Crippen, and Sara Hoppes of the Office of Retirement Services.

## Call to Order

Chair Diana Osborn called the meeting to order at 10:31 a.m.

## Excusing of Absent Members

Charles Thomas moved, John Olekszyk supported, to excuse the absence of Ivy Bailey. The motion carried unanimously.

## Approval of Agenda

John Olekszyk moved, Michael Ringuette supported, to approve the agenda as presented. The motion carried unanimously.

## Board Elections

Executive Secretary Phil Stoddard asked the Nominating Committee for nominations for the office of chair. John Olekszyk, on behalf of the Committee, nominated Diana Osborn for the office of chair, Michael Flanagan supported the nomination. Mr. Stoddard asked if there were other nominations from the floor. Being none a ballot was cast for Diana Osborn for the office of chair and approved unanimously.

Chair Diana Osborn asked the Nominating Committee for nominations for the office of vice chair. Edwin Martinson, on behalf of the Committee, nominated John Olekszyk for the office of vice chair, Michael Ringuette supported the nomination. Chair Osborn asked if there were any other nominations from the floor. Being none a ballot was cast for John Olekszyk for the office of vice chair and approved unanimously.

## Approval of Minutes

John Olekszyk moved, Lenore Croudy supported, to approve the minutes of the June 9, 2011, meeting as presented. The motion carried unanimously.

## Application for Extenuating Circumstances

### COL-6258

John Olekszyk moved, Edwin Martinson supported, to grant the applicant's request to extend the time limit for filing a disability retirement application, since the applicant presented sufficient evidence of extenuating circumstances, and to have the Public School Employees' Retirement System consider the application on the merits. The motion carried unanimously.

## Administrative Hearings

### Proposal for Decision – Docket 2011-2083 PSRS

The Board considered the case materials. Edwin Martinson moved, John Olekszyk supported, that the Board adopt as its own the decision of Presiding Officer in the April 4, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, except for the modifications proposed by Respondent's Exceptions, and deny Petitioner's request for non-duty disability retirement under Section 86 of the Public School Employees' Retirement Act, using the form of decision and order offered by Respondent. The motion carried unanimously.

### Proposal for Decision – Docket 2011-15126 PSRS

The Board considered the case materials. Michael Ringuette moved, Edwin Martinson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 6, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for non-duty disability retirement benefits under Section 86 of the Public School Employees' Retirement Act. The motion carried unanimously.

### Proposal for Decision – Docket 2011-8150 PSRS

The Board considered the case materials. John Olekszyk moved, Lenore Croudy supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 26, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits under Section 86 of the Public School Employees' Retirement Act. The motion carried unanimously.

### Proposal for Decision – Docket 2011-12406 PSRS

The Board considered the case materials. Michael Ringuette moved, Steven Jagusch supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 26, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits under Section 86 and duty disability retirement benefits under Section 87 of the Public School Employees' Retirement Act. The motion carried unanimously.

## **New Business**

### Waiver of Spousal Signature HAR-69650998

Michael Ringuette moved, Steven Jagusch supported, that the Board waive the applicant's spousal signature requirement of MCL 38.1385(3) for extenuating circumstances. The motion carried unanimously.

### Resolution for Susan Meston

Michael Flanagan moved, Timothy Raymer supported, that the Board adopt the resolution as presented. The motion carried unanimously.

## **Special Reports**

2011 MPERS Asset/Liability Study – James Voytko of R.V. Kuhns & Associates, Inc. presented projected valuation results with respect to the funded status of the Plan and projected benefit payments of the Plan, and responded to questions.

2011 Pension Tax Act – Steve Crippen of the Office of Retirement Services presented ORS's plan to implement the pension tax changes of PA 42 and responded to questions.

## **2012 Health Care Initiatives**

Chair Diana Osborn reported that since the June 9, 2011 Board meeting, two Health Initiative Review Committee (HIRC) meetings were held providing interested parties the opportunity to give public input on the 2010 health care proposals. The Health Insurance Committee carefully considered all comments received and modifications were made as a result.

Ben Louagie of Gabriel Roeder Smith & Co. (GRS) provided an update on the health care proposals, summarized public feedback, answered Board member's questions and presented the Committee's final recommendation for full Board consideration.

Public comment was received from Les Nixon (MARSP).

Edwin Martinson moved, Michael Ringuette supported, that the Board accept the recommendations of the Health Insurance Committee in its entirety and update the plan by including:

- Operate both a base Medicare Prescription Drug Plan (PDP) and a second plan know as a “wrap.”
- Remove coverage for three drug classes: Proton Pump Inhibitors used to treat conditions such as heartburn or ulcers, Non-Sedating Anti-Histamines used to treat allergies, and lifestyle drugs used to treat impotence.
- Increase member cost sharing, but continue to offer lower cost share amounts to those who choose to participate in the Healthy Living program.

A roll call vote was taken and the motion was unanimously approved.

### **Executive Secretary Comments**

Phil Stoddard thanked GRS and staff for their innovative approach on the 2012 Health Care Initiatives, and recognized Catalyst for their cooperation.

### **Board Comments**

Michael Ringuette stated his appreciation to Phil Stoddard and team, and GRS for their work on the health care initiatives.

Scott Koenigsknecht expressed his appreciation to Phil Stoddard and Laurie Hill for providing him a thorough orientation session.

Lenore Croudy congratulated Diana Osborn and John Olekszyk on their elected positions.

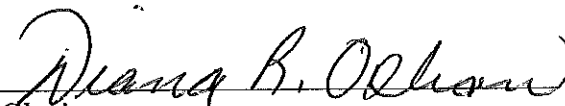
### **Public Comment**

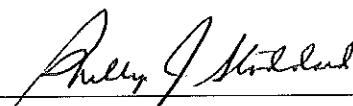
Comments were received from Earl Hagstrom.

## Adjournment

Charles Thomas moved, John Olekszyk supported, to adjourn the meeting. The motion carried unanimously. Meeting adjourned at 12:13 p.m.

## OFFICIAL MINUTES

  
Chair

  
Executive Secretary